

SHB 1944 - S COMM AMD

By Committee on Labor, Commerce, Research & Development

1 On page 1, beginning on line 5, strike all of section 1 and insert
2 the following:

3 "Sec. 1. RCW 9.46.0209 and 2000 c 233 s 1 are each amended to read
4 as follows:

5 (1)(a) "Bona fide charitable or nonprofit organization," as used in
6 this chapter, means: (~~(+1)~~)

7 (i) Any organization duly existing under the provisions of chapter
8 24.12, 24.20, or 24.28 RCW, any agricultural fair authorized under the
9 provisions of chapters 15.76 or 36.37 RCW, or any nonprofit corporation
10 duly existing under the provisions of chapter 24.03 RCW for charitable,
11 benevolent, eleemosynary, educational, civic, patriotic, political,
12 social, fraternal, athletic or agricultural purposes only, or any
13 nonprofit organization, whether incorporated or otherwise, when found
14 by the commission to be organized and operating for one or more of the
15 aforesaid purposes only, all of which in the opinion of the commission
16 have been organized and are operated primarily for purposes other than
17 the operation of gambling activities authorized under this chapter; or
18 (~~(+2)~~)

19 (ii) Any corporation which has been incorporated under Title 36
20 U.S.C. and whose principal purposes are to furnish volunteer aid to
21 members of the armed forces of the United States and also to carry on
22 a system of national and international relief and to apply the same in
23 mitigating the sufferings caused by pestilence, famine, fire, floods,
24 and other national calamities and to devise and carry on measures for
25 preventing the same. (~~Such~~)

26 (b) An organization defined under (a) of this subsection must:

27 (i) Have been organized and continuously operating for at least
28 twelve calendar months immediately preceding making application for any
29 license to operate a gambling activity, or the operation of any

1 gambling activity authorized by this chapter for which no license is
2 required(~~(. — It must))~~);

3 (ii) Have not less than fifteen bona fide active members each with
4 the right to an equal vote in the election of the officers, or board
5 members, if any, who determine the policies of the organization in
6 order to receive a gambling license(~~(. — An organization must))~~); and

7 (iii) Demonstrate to the commission that it has made significant
8 progress toward the accomplishment of the purposes of the organization
9 during the twelve consecutive month period preceding the date of
10 application for a license or license renewal. The fact that
11 contributions to an organization do not qualify for charitable
12 contribution deduction purposes or that the organization is not
13 otherwise exempt from payment of federal income taxes pursuant to the
14 internal revenue code of 1954, as amended, shall constitute prima facie
15 evidence that the organization is not a bona fide charitable or
16 nonprofit organization for the purposes of this section.

17 (c) Any person, association or organization which pays its
18 employees, including members, compensation other than is reasonable
19 therefor under the local prevailing wage scale shall be deemed paying
20 compensation based in part or whole upon receipts relating to gambling
21 activities authorized under this chapter and shall not be a bona fide
22 charitable or nonprofit organization for the purposes of this chapter.

23 (2) For the purposes of RCW 9.46.0315 and 9.46.110, a bona fide
24 nonprofit organization also includes:

25 (a) A credit union organized and operating under state or federal
26 law. All revenue less prizes and expenses received from raffles
27 conducted by credit unions must be devoted to purposes authorized under
28 this section for charitable and nonprofit organizations; and

29 (b) A group of employees of either a state agency, as defined in
30 RCW 42.52.010(1), or a section, unit, division, or other subdivision of
31 a state agency that:

32 (i) Conducts a raffle solely to raise funds for either the state
33 combined fund drive, created under RCW 41.04.033, or a designated
34 person or family in need. No person or other entity may receive
35 compensation in any form from the group for services rendered in
36 support of this purpose;

37 (ii) Complies with this section and RCW 9.46.0315, and limits the

1 participation in the raffle such that raffle tickets are sold only to,
2 and winners are determined only from, the employees of the agency,
3 section, unit, division, or subdivision conducting the raffle; and
4 (iii) Pays all funds received from such raffle, less prizes and
5 expenses, to the state combined fund drive, or the designated person or
6 family in need, within thirty days after the conclusion of the raffle."

7 On page 2, at the beginning of line 5, strike "section 1 of this
8 act" and insert "RCW 9.46.0209"

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9 On page 1, line 1 of the title, after "employees;" strike "adding
10 a new section to chapter 9.46 RCW;" and insert "amending RCW
11 9.46.0209;"

EFFECT: Authorizes raffles by state employees if the raffle is conducted only among the employees of an agency or agency subdivision, and all proceeds of the raffle are paid to the state combined fund drive or a designated individual or family in need.

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